



Agenda Date: 7/12/01

Agenda Item: 4C

**STATE OF NEW JERSEY**

**Board of Public Utilities**

*Two Gateway Center  
Newark, NJ 07102*

TELECOMMUNICATIONS

IN THE MATTER OF THE APPLICATION OF )  
PREMIER NETWORK SERVICES, INC. FOR )  
AUTHORIZATION TO PROVIDE RESOLD AND )  
FACILITIES-BASED LOCAL EXCHANGE, )  
EXCHANGE ACCESS AND INTEREXCHANGE )  
TELECOMMUNICATIONS SERVICES )  
THROUGHOUT THE STATE OF NEW JERSEY )

ORDER OF APPROVAL

DOCKET NO. TE00080608

(SERVICE LIST ATTACHED)

BY THE BOARD:

By letter dated August 17, 2000, Premier Network Services, Inc. (Petitioner or Premier) filed a petition with the Board of Public Utilities (Board) requesting authority to provide local exchange, exchange access and interexchange services throughout the State of New Jersey. Petitioner requested confidential treatment of the financial information in Exhibit E of its petition. In addition, Premier responded to a Staff questionnaire by letter dated May 25, 2001 and to Staff interrogatories by letters dated June 7, 2001 and June 13, 2001.

BACKGROUND

According to the petition, Premier was incorporated under the laws of the State of Texas on May 16, 1986. Petitioner's principal offices are located at 1510 North Hampton Road, Suite 120, De Soto, Texas 75115. Petition at 4.

Petitioner submitted copies of its Articles of Incorporation, Texas Certificate of Good Standing and its New Jersey Certificate of Authority to Operate as a Foreign Corporation. Petition at 2, Exhibits A and B. According to the petition, Premier was formed to provide local exchange, exchange access and interexchange services. Petition at 1. Petitioner advised that Premier is currently certified to provide facilities-based local exchange and interexchange services in all states except Alaska, Idaho, Louisiana, Maryland, New Hampshire and New Jersey. Premier has not been denied authority to provide telecommunications services in any state. In addition, Premier has no pending civil, criminal or administrative actions against it.

Premier advised that it is currently negotiating an interconnection agreement with Verizon New Jersey Inc.

In its petition, Petitioner advised that it seeks authority to provide local exchange, exchange access and interexchange telecommunications services to residential and business customers throughout New Jersey. Premier plans to offer services that will include, but not be limited to, local exchange service, switched access, private line, advanced features, premium services, intraLATA and interLATA toll. In order to do so, Premier intends to resell services and to purchase UNEs from incumbent local exchange carriers. Petition at 3,4.

Petitioner requested waivers of N.J.A.C. 14:1-4.3 and N.J.S.A. 48:3-7.8, which require that its books and records be maintained in accordance with the Uniform System of Accounts (USOA) and within the State of New Jersey. Petitioner requested permission, in the interest of efficiency and to prevent undue burden, to maintain its books and records in accordance with Generally Accepted Accounting Principles (GAAP). Petition at 4, 5. Petitioner also requested permission to keep all books, records, documents and other writings incident to the conduct of Petitioner's business in the State of New Jersey at Petitioner's corporate offices in De Soto, Texas. Petition at 4. Petitioner also stated that, upon written notice from the Board, it will produce its books and records at such time and place within New Jersey as the Board may designate and will pay any reasonable expenses for examination of the records. Petition at 5.

Petitioner asserted that approval of its petition will further the public interest by expanding the availability of competitive telecommunications services in the State of New Jersey. Petitioner also asserted that approval of this petition will permit customers to achieve increased efficiencies and cost savings. Petition at 1.

With regard to its managerial qualifications, Premier stated that it possesses the technical capability and managerial qualifications to operate and manage its telecommunications operations in the State of New Jersey. Petition at 2. Petitioner submitted the professional biographies of its key personnel who, according to Premier, are well qualified to execute its business plans, and have extensive management and technical experience in the telecommunications industry. Petition at 2, Exhibit C.

Petitioner has submitted as evidence of sufficient financing the required pro forma financials for its New Jersey operations.

By letter dated July 9, 2001, the Division of the Ratepayer Advocate recommended approval of this petition.

## DISCUSSION

On February 8, 1996, the federal Telecommunications Act of 1996, P.L. 104-104, 110 Stat. 56, codified in scattered sections of 47 U.S.C § 151 et seq., was signed into law, removing barriers to competition by providing that:

[n]o State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service.

[47 U.S.C. §253 (a)].

Therefore, Board approval of Petitioner's entry into the telecommunications marketplace is required, assuming Petitioner meets all other requirements, including, but not limited to, a demonstration of financial, technical and managerial integrity.

In considering this petition, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets. 47 U.S.C. §253(a). Approval is also in keeping with the New Jersey State Legislature's decision that it is the policy of the State to provide diversity in the supply of telecommunications services, and its findings that competition will "promote efficiency, reduce regulatory delay and foster productivity and innovation" and "produce a wider selection of services at competitive market-based prices." N.J.S.A. 48:2-21.16 (a)(4); N.J.S.A. 48:2-21.16(b)(1) and (3).

Therefore, having reviewed Premier's petition and the information supplied in support thereof, the Board FINDS that Petitioner has demonstrated that it possesses the requisite financial, technical and managerial resources, which are necessary to provide telecommunications services in New Jersey. Accordingly, the Board HEREBY AUTHORIZES Petitioner to provide local exchange, exchange access and interexchange telecommunications services in New Jersey subject to approval of its tariff. The Board notes that Petitioner will not be able to provide telecommunications services until a tariff is approved by the Board. Regarding the Petitioner's request for waivers of Board rules, the Board FINDS that the Petitioner has demonstrated good cause why the Board should grant relief from its requirements to maintain its books and records under the USOA and within New Jersey. Therefore, subject to the Petitioner's continuing responsibility to provide the Board its books and records upon 48 hours notice, and in the manner requested, and to pay to the Board any reasonable expenses or charges incurred by the Board for any investigation or examination of these books and records, the Board APPROVES Petitioner's request for the exemptions from maintaining its books and records in New Jersey and under the USOA.

The Board also APPROVES Petitioner's request for confidential treatment of Exhibit E of its petition.

DATED: 7/13/01

BOARD OF PUBLIC UTILITIES  
BY:

(signed)  
CAROL J. MURPHY  
ACTING PRESIDENT

(signed)  
FREDERICK F. BUTLER  
COMMISSIONER

ATTEST:

(signed)  
FRANCES L. SMITH  
BOARD SECRETARY